The Economic Impact of Phase 2 Construction and Operations on the Area Economy[1]

This analysis was prepared for the Lancaster County Agriculture Society (LCAS). Findings remain the sole property of LCAS and may not be used without prior approval of this organization.

The LCAS Board of Directors commissioned this study on June 22, 2005 to estimate the impact of construction and fiscal 2007 operations of Phase 2 of the Lancaster Event Center on Lancaster County, the Lincoln MSA and the state of Nebraska. I owe a special thanks to Mr. Alan Wood and Mr. Wayne Venter for providing their insight and time in support of this study. Also, Design Associates of Lincoln, Nebraska was very helpful in providing data to support this study. However, all estimates and opinions contained herein are those of the Principal Investigator, Ernie Goss. Any errors, omissions or mis-statements are those of the author alone. Please address all correspondence to:

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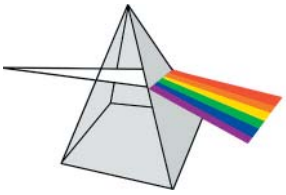

[1]Estimates are provided for the Lincoln Metropolitan Statistical Area (MSA), Lancaster County and the state of Nebraska. The U.S. Census Bureau defines the Lincoln MSA as the Nebraska counties of Lancaster and Seward.
[2]A copy of the pricipal investigator's biography is contained in the Appendix of this study.

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The Economic Impact of LEC Phase 2 Construction and Operations on the Area Economy

Preface

The goals of this study are to determine the impact of construction and operations of Phase 2 of the Lancaster Event Center on the area economy. The study is divided into three sections. The first section provides an overview of Phase 2. The second section examines the feasibility of the project. The third, and final, section supplies estimated economic impacts of Phase 2 construction and operations.[3]

The Economic Impact of Phase 2 Construction and Operations on the Area Economy

Executive Summary

The Lancaster Event Center (LEC), as it currently exists, and the proposed Phase 2 expansion, make important contributions to the convention, conference and event capability of the state of Nebraska, the Lincoln MSA and Lancaster County.

•The LEC, due to its focus on agriculture and livestock events, does not compete with the Pershing Auditorium, or the proposed downtown Lincoln area. Furthermore, the state fair facilities cannot accommodate shows and conferences of the magnitude proposed for Phase 2.

•Without the Phase 2 expansion, a share of conferences that currently use the LEC will go elsewhere placing additional tax burdens on the Lancaster County taxpayer.

•The proposed commercial expansion will not draw business from downtown Lincoln businesses, but is an important component of a successful Phase 2 development. Overall, it will have positive impacts on downtown Lincoln.

•One of the first priorities of marketing the new LEC will be to hire additional sales staff to market the LEC to potential users of the facility.

•The commercial development, as part of Phase 2, is an important component contributing to the ultimate success of the LEC. Without a large anchor hotel, the LEC will be less able to attract regional events.

•Locations in downtown Lincoln will be less successful in attracting large regional events normally drawn to the LEC due to their inability to handle large trucks and equipment that require jumbo entrances and loading bays. Also, the Main Hall floors of non-LEC facilities do not posess the load capacity for large semi-trucks and other equipment to drive onto the floor during set-up and teardown.

•There is a real concern that there is only one hotel with 75 rooms planned for Phase 2 development within walking distance to the LEC. More “convention quality” rooms are needed to assure success.

•There is a concern that there is not significant dining and retail establishments adjacent to or within walking distance to the LEC. These establishments (especially restaurants) will need to be able to seat at least as many people as there are hotel rooms and be prepared to stay open until 9 or 10 p.m. on weeknights.

•The competition for regional and national trade shows and conventions with exhibits is becoming much more intense. This is true for the region and for Nebraska. In addition to the opening of the Qwest Center in Omaha in 2003, Grand Island will open its Heartland Event Center in

•The economic environment for event centers has steadily improved since the end of the recession in 2001.

•The estimated impacts in this study are based on recruiting 12 additional regional/national trade shows or conventions with exhibits. The competition for such events is intense and can only be accomplished with a significant increase in marketing outreach.

[3]Fiscal years for the LCAS and LEC are December 1 to November 30.

Construction Imacts (1 year only)[4]

To the State:

The impact of construction of Phase 2 will have significant positive impacts on the state economy. The estimated impacts are:

- A total of 387.3 jobs will be created (296 for the LEC + 91.3 for commercial development).
- Self-employment income of $2.5 million ($1.9 million for the LEC + $0.6 million for commercial development).
- A total of $11.5 million in wages and salaries ($8.7 million for the LEC + $2.8 million for commercial development).
- A total of $1.2 million in state and local taxes ($0.9 million for the LEC + $0.3 million for commercial development).
- A total sales or output impact of $35.5 million ($27.0 million for the LEC + $8.5 million for commercial development).

To Lancaster County:

The impact of construction of Phase 2 will have significant positive impacts on Lancaster County. The estimated impacts are:

- A total of 252.7 jobs will be created (194.7 for the LEC + 58.0 for commercial development).
- Self-employed income of $1.2 million ($0.9 million for the LEC + $0.3 million for commercial development).
- A total of $7.3 million in wages and salaries ($5.6 million for the LEC + $1.7 million for commercial development).
- A total sales or output impact of $28.8 million ($22.1 million for the LEC + $6.7 million for commercial development).

Annual Phase 2 Operating Impacts (for 2007)[5]

Based on attracting 12 additional regional/national events to the area, it is estimated that organizers, exhibitors and attendees will add between $65.5 million and $106.1 million in 2007. As a result of indirect and induced impacts, it is estimated that this spending adds the following to the area economy for 2007:

To the state:

- Between 1,509.4 and 2,398.3 jobs will be created and maintained.
- Between $2.5 million and $4.0 million in self-employment income will be generated.
- Between $28.0 million and $44.4 million in wages and salaries will be produced.
- Between $5.7 million and $9.6 million in state and local taxes will be added to the economy.
- Between $101.2 million and $163 million in sales or output will be spawned. The major beneficiary industries are: Accommodation & food services at $50.7 million, Retail Trade at $15.4 million, and Administrative and Waste Services at $13.2 million.
- Between $9.6 million and $5.7 million in state and local taxes will be provided.

To Lancaster County:[6]

- Between 1,483 and 2,317 jobs will be created and maintained.
- Between $25.2 million and $39.9 million in wages and salaries will be produced.
- Between $2.8 million and $4.4 million in self-employment income will be generated.
- Between $96.3 million and $154.7 million in output or sales will be spawned. The major beneficiary industries are: Accommodation & food services at $48.8 million, Retail Trade at $15.0 million, and Administrative and Waste Services at $13.0 million.

[4] Impacts on the Lincoln MSA are almost identical to those for Lancaster County and are not presented here.
[5] The lower number assumes that 47.7% of attendees reside in Lancaster County whereas the larger number assumes that attendees, exhibitors and organizers come from outside Lancaster County.
[6] It is possible for the same stimulus run on both the state and county models to yield lower impacts in the state model than in the county model. See www.Implan.com.

Tables 1 and 2 summarize the estimated impacts. Table 1 impacts represent the estimated impacts for the construction period and will not extend beyond this period. Table 2 impacts, on the other hand, are annual impacts that occur in future years (adjusted for inflation) assuming the same level of event activity.

TABLE 1: SUMMARY OF ANNUAL ECONOMIC IMPACTS OF PHASE 2 CONSTRUCTION (2006)

	LEC	Commercial Development
	Impact	Impact
Impact on economy	$22,086,205	$6,666,607
Impact on state and local tax collections	$904,753	$279,164
Jobs supported	194.7	58.0
Payroll (does not include self-employed workers)	$5,645,860	$1,715,589
Impact on income of private business owners and self-employed	$935,532	$284,145

TABLE 2: SUMMARY OF ANNUAL ECONOMIC IMPACTS OF PHASE 2 OPERATIONS 2007 & BEYOND

	2005 Regional/National Events	2006 State/Local Events
	Impact	Impact
Annual impact on economy	$154,697,280	$96,283,789
Annual impact on state and local tax collections	$9,643,452	$5,738,076
Full-time equivalent jobs supported	2,317	1,483
Annual payroll (does not include self-employed workers)	$39,910,172	$25,202,601
Annual impact on income of private business owners and self-employed	$4,448,221	$2,779,580

Chapter 1:
The Lancaster Event Center: Current & Planned

Introduction

The Lancaster County Agricultural Society (LCAS) was established in 1878. Today, it is a publicly supported organization to which charitable donations are tax-exempt.[7] The LCAS's mission is to promote, support, educate, and encourage the future for Nebraska youth, agriculture, and community. The LCAS owns over 160 acres south of Havelock Avenue bordering 84th Street which currently contains the Lancaster Event Center (LEC). Since the LEC opened on January 27,2001, the LCAS has used the facility to educate the public through competitive exhibits.

Soon after opening, the LEC became the new home of the Lancaster County Fair, but also serves as a public, multipurpose, year-round facility designed to host a variety of local, regional and national events and activities.[8] The LEC hosts agricultural trade and livestock shows, regional and national equipment shows, banquets and receptions, school science fairs and speech competitions, along with general conferences and meetings. In addition to concessions, the LEC offers catering services for any size goup.

The LCAS, in order to remain competitive with other agriculture, livestock and horse show venues, has proposed expanding the current LEC. The expansion plan, termed Phase 2, will involve not only an expansion of the LEC, but commercial development of a 14.4-acre portion of the overall site. Table 1.1 shows the current plant, future LEC development and expected commercial development.

TABLE 1.1: DESCRIPTION OF CURRENT LEC AND PLANNED EXPANSION

	Existing LEC	Phase 2 LEC Expansion	Phase 2 Commercial Development
Lancaster Event Center			
Multi-purpose—sq. ft.	66,000		
Pavilion 1-sq. ft.	84,000		
Pavilion 2-Sq. ft.	86,000		
Pavilion 3-Sq. ft.		81,000	
Arena—Sq. ft.		87,000	
Commercial Development			14.4 acres
Retail space—Sq. ft.			44,000
Restaurant—Sq. ft.			8,000
Hotel/motel			75 rooms

Source: Design Associates, Lincoln, Nebraska

Table 1.2 lists estimated costs for the Phase 2. The LEC expansion is expected to cost $15 million while the commercial development, exclusive of the leased land, is expected to cost $4,690,000. This development is projected to add $124,033 in property taxes each year due to the fact that the development will add property to the tax rolls via the commercial development.

TABLE 1.2: COSTS AND ESTIMATED PROPERTY TAXES OF EXPANSION

	Cost[9]	Yearly Property taxes[10]
LEC expansion	$15,000,000	$0
Retail space	$2,240,000	$41,530
Restaurant	$800,000	$14,832
Motel	$1,650,000	$30,591
Leased land	$2,000,000	$37,080
Total	$21,690,000	$124,033

Source: Design Associates, Lincoln, Nebraska

[7]Extent of exemption is established by law {509(a) tax exempt status}.
[8]Source: LCAS website.
[9]Estimates provided by Design Associates of Lincoln, Nebraska.
[10]Based on property tax rate of 2.06% and assessment rate of 90%.

Figure 1 provides a diagram of the current LEC while Figure 2 provides a schematic of the commercial development of Phase 2.

Figure 1.1: Diagram of LEC (Source: Design Associates, Lincoln, Nebraska

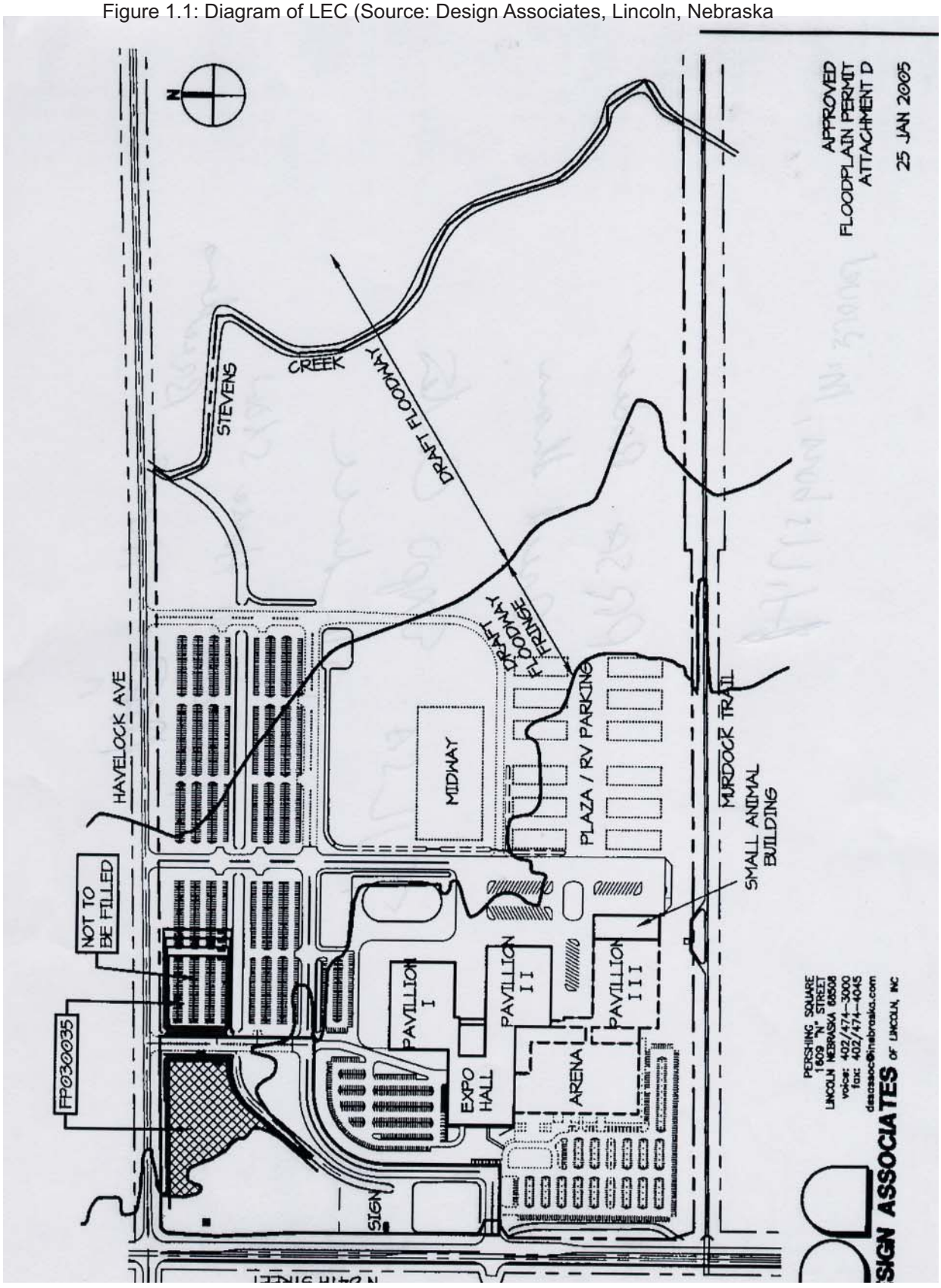
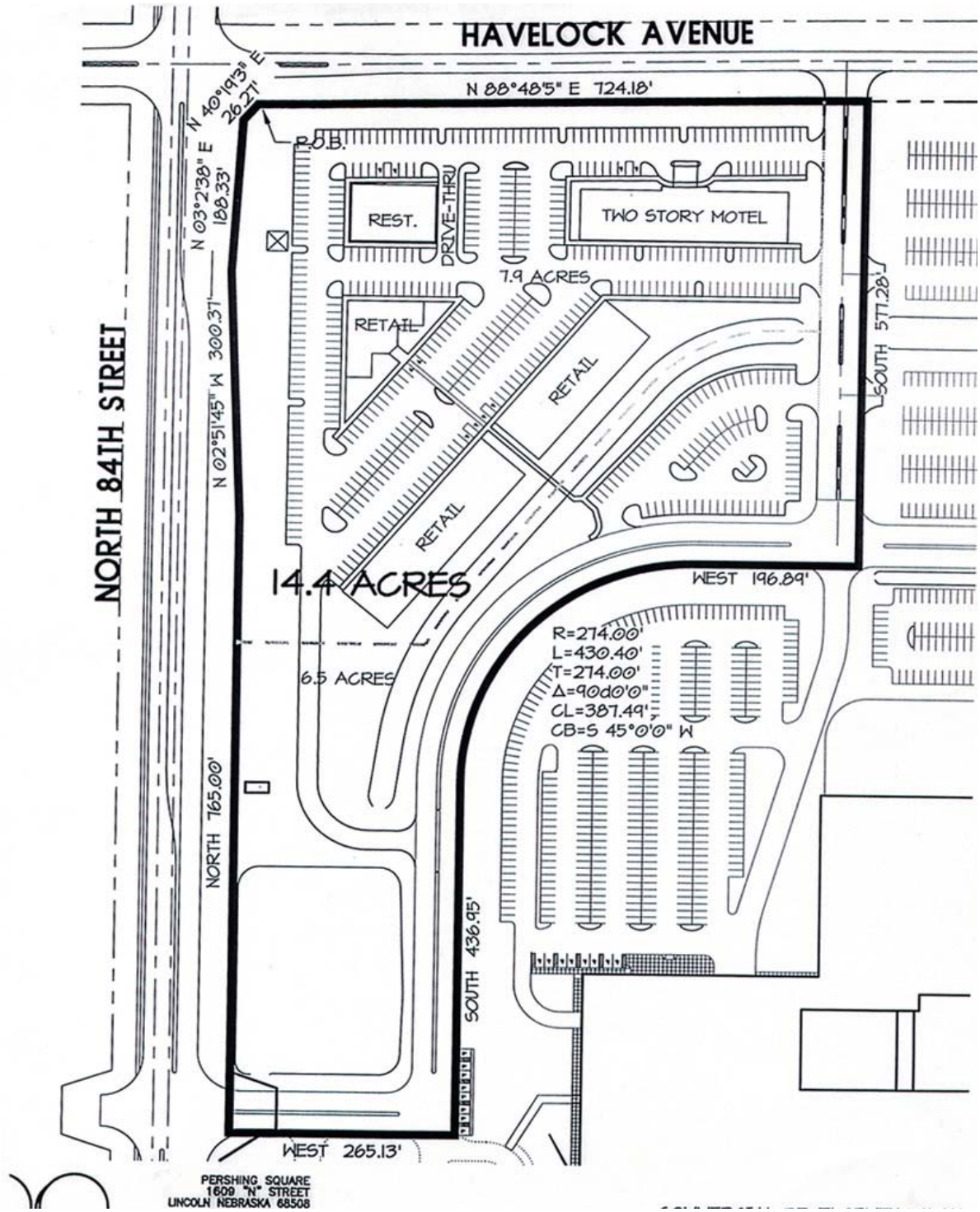


Figure 1.2: Diagram of the commercial space-Phase 2



Current LEC Facilities and Competitors

Each year, the LEC hosts the Lancaster County Fair in addition to agricultural trade shows, livestock shows, regional/national equipment shows, automotive shows, indoor and outdoor sporting events, concerts, reunions, craft shows, school science fairs and speech competitions, along with general conferences and meetings.[11] The current facility and the expansion is intended to fill a gap in Lincoln's and Lancaster County's convention and conference show capabilities. The LEC focuses on those events that typically cannot comfortably operate in a downtown setting due to parking and/or transport restrictions and pastoral requirements.

The center features three interconnected structures that include the Multi-Purpose Arena, two pavilions adjacent to an outdoor arena and parking for approximately 2,000 vehicles. The LEC was designed to go beyond the typical convention center or livestock arena. The facility is large enough to host major events, but can also accommodate multiple, smaller events simultaneously.

The Multi-Purpose Arena is a rectangular 36,500 square foot area. A portion of the building has concrete flooring to accommodate bleacher seating for 2,000 people. The bleachers are portable and can be moved or removed to allow use of the concrete floor. The arena dirt floor is 110 feet x 275 feet. It can be packed and covered with carpet to allow for many alternative uses. The arena can be configured in a number of ways and used for display space, team penning, roping and cutting, sales and auctions, small shows or as a practice paddock for the larger shows.

Adjoining the Multi-Purpose Arena is the 17,000 square foot Lincoln Room offering meeting space and additional exhibit space along with the Event Center's administrative offices. This area has a concrete floor. Portable walls are available to offer maximum meeting flexibility.

Pavilion 1, adjacent to the Multi-Purpose Arena, is an 84,000 square foot space that offers multiple wash areas, restrooms, space for a veterinary clinic, a show office and a mechanical room. Pavilion II, an 86,000 square foot space, is another stand-alone building with a covered connection to Pavilion I. It also offers wash areas, restrooms and office areas.

Each Pavilion houses 400-10 foot x 10 foot booths or stalls. The walls of the Pavilions feature overhead doors at 25-foot intervals. With the overhead doors open, the Pavilions may be used for livestock shows and stalling. When the doors are closed, the three buildings combined offer more than 216,000 square feet of enclosed event space and the capacity to house one thousand 10 foot x 10 foot booths with 10-foot aisle ways. All three buildings interconnect with enclosed covered walkways. The Amy Countryman Outdoor Arena is 300 feet long and 150 feet wide. It will be lighted for night shows and is encompassed by a rodeo-quality fence.

Table 1.3 lists recent events with the number of days and estimated attendance of each. These events add to the overall economic health of Lincoln and Lancaster County by bringing visitors to the area to spend, and by encouraging area residents to spend their dollars locally. However, in order to support the Phase 2 development, the LEC must attract regional and national trade shows or conventions with exhibits. Without these regional and national events, Phase 2 expansion will potentially increase the tax burden for the Lancaster taxpayer.

TABLE 1.3: RECENT LEC EVENTS[12]

	# of days	Attendance[13]
Lancaster County Fair	5	60,000
Sports show (Sports Car of America)	3	10,000
Horse exposition	3	10,000
Home show	3	6,000
Llama show	4	2,000
3 concurrent agricultural events	4	1,200
Arts and craft show	1	300
Rodeos	1	300

Source: LEC records

[11]http://www.lancastereventcenter.com/about.html
[12]Attendance data for other events were not available from the LEC.
[13]Estimates provided by Mr. Wayne Venter, Director of the LEC.

Table 1.4 provides a list of events plus details on recent LEC events surveyed by Goss & Associates. During this period of time for the seven events and the randomly selected 2,037 attendees 47.7 percent came from outside of Lancaster County, and 34.0 percent resided outside of Nebraska. All of those that came from outside Lancaster County produced additional employment, earnings and sales for Lancaster County businesses. Visitors, organizers and exhibitors of these events also generate additional state, county and city taxes. For example, in fall 2004, the Lincoln Product Show was held at the LEC with almost 200 exhibitors.

TABLE 1.4: RESIDENCE OF RECENT LEC ATTENDEES (PHASE 1)

Association	Start Date	Days	Total # of Attendees	Percent from:			Percent from
				Lancaster County	Nebraska	Outside Lancaster County	Outs Nebr
Car Show	June 18	1	266	100.0%	1	0	0.(
Rock Concert	June 18	1	650	72.2%	100.0%	27.8%	0.(
Salt Creek Wranglers Speed Night	June 24	2	120	41.0%	41.0%	59.0%	59.
Hobby Town Unlimited Magic Card	June 25	2	250	59.2%	59.2%	40.8%	40.
Sparky Bike Show	June 25	1	100	90.0%	90.0%	10.0%	10.
Great Plains Small Equine Show	July 8	3	358	10.0%	10.0%	90.0%	90.
National Barrel Horse Association	July 16	3	293	2.0%	35.8%	98.0%	64.
All shows & programs		13	2,037	47.7%	66.0%	52.3%	34.

Source: Goss & Associates surveys

These events add to the overall economic health of Lincoln and Lancaster County by bringing visitors to the area to spend and by encouraging area residents to spend their dollars locally.

Sample Agriculture / Livestock Event Centers

Pennsylvania Farm Show Complex Harrisburg

The Pennsylvania Farm Show Complex recently completed a $76 million expansion and renovation project, bringing exhibit space from 660,000 square feet to more that 1 million square feet. The facility is home to the Pennsylvania Farm Show which is billed as the nation's largest indoor agricultural event under one roof.[14] The facility offers Expo Hall, with 175,000 square feet, and Equine Arena, which seats 1,700. It is estimated by local officials that the facility contributes about $480 million a year to the local economy. In addition to three Department of Agriculture-sponsored shows, the complex hosts over 200 trade shows, exhibits and activities annually.

Kentucky Fair & Exposition Center Louisville

One of the top 10 largest public facilities of its kind in the United States, the Kentucky Fair & Exposition Center features large facilities with diverse capabilities. The 400-acre property offers more than one million square feet of indoor space. The expo center accommodates an amazing spectrum of events year round and remains the permanent home for the Kentucky State Fair, the National Farm Machinery Show and the North American International Livestock Exposition.

Iowa Events Center[15]

The Iowa Events Center consists of the existing Veterans Memorial Auditorium, the existing Polk County Convention Complex, the new Hy-Vee Hall and the new Wells Fargo Arena. The project, when completed, is expected to cost $217 million, which makes this the largest public project in Iowa history. Funding for the project comes from Polk County and its cities, private donations and the Vision Iowa Fund. Construction began in early 2002. The new Iowa Stars hockey team is the center's primary tenant.

Located along the banks of the Des Moines River, the Iowa Events Center is a four-venue, multi-purpose sports entertainment, convention and expo complex all under one interconnected roof. It opened July 2005. 1) The first venue - the Wells Fargo Arena is capable of seating more than 17,000 people. This new arena will become the place for sports and entertainment, providing a venue unlike any other in the region. 2) Hy-Vee Hall provides first rate, modern, flexible space for a wide range of events. The exhibit portion of the Hy-Vee Hall is located on the upper level and meeting rooms on the lower level. 3) Veterans Memorial Auditorium plays host to everyone from leading entertainers to future Presidents to high school athletes seeking state titles. Vets Auditorium has recently had more than $5 million in renovations, modernizing much of the facility. Over 300,000 individuals attend events at the Polk County Convention Complex each year.

Heartland Event Center[16] Grand Island, Nebraska

The new multipurpose Heartland Event Center at Fonner Park in Grand Island, Nebraska and Eihusen Arena is intended to serve over 500,000 people from throughout Central and Western Nebraska and beyond. The wide variety of events, activities and entertainment opportunities that this new facility will offer on a year-round basis will be a great addition to the current Fonner Park Complex in Central Nebraska, consisting of Fonner Park, Island Oasis Water Park, and the softball fields and soccer fields. The center is built to accommodate:

- Conventions, conferences, trade shows and meetings
- Business, educational and community events
- Concerts, entertainment and performing arts
- Athletic and sporting events
- Family, youth and senior activities
- Indoor walking course for early morning use
- Art shows and exhibits and national traveling shows
- Hall County Fair, Shrine Circus, State Fire School, Home & Builders Show and much more

On the following page, Table 1.5 compares the current LEC with three competitors in terms of the number of events for 2005.

[14]Pennsylvania State Department of Agriculture.
[15]Information comes from: http://en.wikipedia.org/wiki/iowa_events_center
[16]Information comes from their website at: http://www.hearlandeventcenter.com

TABLE 1.5: NUMBER OF EVENTS HOSTED AT LEC & COMPETITORS, 2005 BY MONTH				
	LEC	Kansas Expo Topeka, KS	Century II, Wichita, KS	Tulsa Expo Tulsa, OK
January, 2005	8	24	5	n.a.
February, 2005	6	28	8	n.a.
March, 2005	9	43	10	n.a.
April, 2005	16	28	12	n.a.
May, 2005	9	21	13	n.a.
June, 2005	9	19	4	n.a.
July, 2005	11	8	7	26
August, 2005	6	17	0	24
September, 2005	9	6	3	18
October, 2005	10	7	12	15
November, 2005	6	2	6	22
December, 2005	5	2	1	19
Total events-2005	104	205	81	n.a.
July – December	47	42	29	124

Source: website of each facility

Chapter 2:
Why and How Will LEC Impacts Be Estimated?

The LCAS has a fiduciary responsibility to insure that taxpayer funds are effectively used. As such, the Board of Directors commissioned this study to estimate the economic impacts of LEC and operation of Phase 2.

Since the early 1980's, one of the most frequent applications of economic tools for industrial assessment has been economic impact analysis. The focus of such studies has been to convince policy makers and the general public of the importance of the industry to the economic viability of the industry to the state. However, the assessment of the impact of business investment is fraught with problems.

These problems center on measurement issues and include the proper treatment of the industry's impact on spending by local residents, the extent to which the industry diverts spending from other local firms, and the isolation of the industry's impact on other non-event related firms in the area.

Despite these difficulties, the *Council of State Governments* contends that communities should undertake economic impact analysis to assess the costs and benefits of either retaining existing events / business, or attracting a new event or business (Council of State Governments, 1989). Impact analysis can also be used to tailor tax restructuring initiatives to the needs of firms and the overall economy, and to insure that the changes are consistent with the overall economic development plan of the community or state. Furthermore, many states, including Nebraska, have enacted legislation requiring completion of a cost-benefit assessment by local governments granting tax incentives or concessions.

However, due to the rapid growth of the convention business, and the belief that their state should remain competitive, policy makers in many states and localities have built event centers not well grounded in economic theory or empirical evidence. According to the *Council of State Governments*, the presence of interstate, inter-county or inter-city impacts, as with events and conventions, necessitates the development of new models of assessment to more properly evaluate the impact of the change.[17]

At the same time that citizens are asking public officials to be more proactive in economic development, they are holding public officials to a higher level of fiduciary responsibility regarding tax dollars. But given this increased accountability, why have states been slow to adopt evaluation methodologies? According to Bartik (1991), the following represent the primary reasons that states do not use systematic or structured evaluation programs:

- Good evaluations are expensive
- Findings from analyses are available to states and localities not paying for the assessment.
- Negative evaluations are sometimes used against an industry, whereas positive evaluations are often discounted by critics.
- Obtaining reliable data to produce accurate estimates of both costs and benefits is difficult and fraught with ambiguity.
- The time frame over which the benefits are derived and costs incurred is difficult to gauge. Evaluations are simply snapshots of the effect of policy at a particular time with future changes not considered
- The breadth or diversity of initiatives prevents a systematic or structured evaluation approach. For example, projects usually have different objectives, diverse time scales and take effect in different ways.

Types of Economic Impacts

This study will measure three identifiable types of impacts. Economists divide financial impacts into direct, indirect and induced impacts. The most obvious direct impact of the LEC on the economy comes in the form of LEC salaries and in the form of purchases of concessions by event attendees at the LEC. Indirect impacts come from expenditures of the LEC to its suppliers. Employees of the supplying firms spend their wages and salaries in Nebraska. The re-spending, or second round multiplying, is referred to as an induced impact. From an economic perspective, LEC revenues and visitor spending represent new dollars in the area's economy and are thus very powerful in generating jobs and income.

Direct Economic Impacts: LEC revenues flowing into the state have direct economic effects on their local economies by making expenditures for goods and services and by paying employee salaries. The most obvious direct expenditures are payment of wages to workers employed by LEC. In addition, expenditures by business visitors and event organizers to the LEC produce direct impacts on the region affecting primarily the Lodging, Wholesale and Retail Trade Industry. Examples of Direct economic impacts are color coded blue in Figure 2.1

[17]It is quite likely, for example, that a significant proportion of visitors to LEC will obtain lodging in nearby cities.

Indirect Economic Impacts: The LEC also produces indirect economic effects on the area economy. For example, feed supply companies buy merchandise from area wholesalers. Furthermore, LEC expenditures encourage the startup and expansion of other businesses related to the LEC. The LEC expansion will generate indirect effects by increasing (a) the number of firms drawn to a community, (b) the volume of deposits in local financial institutions and (c) economic development. Examples of indirect economic impacts are color-coded blue in Figure 2.1.

Induced Economic Impacts: Induced impacts in the region occur as the initial spending feeds back to industries in the region when workers in the area purchase additional output from local firms in a second round of spending. That is, LEC spending increases overall income and population, which produces another round of additional spending adding to sales, earnings and jobs for the area. Examples of induced economic impacts are color-coded red on Figure 2.1.

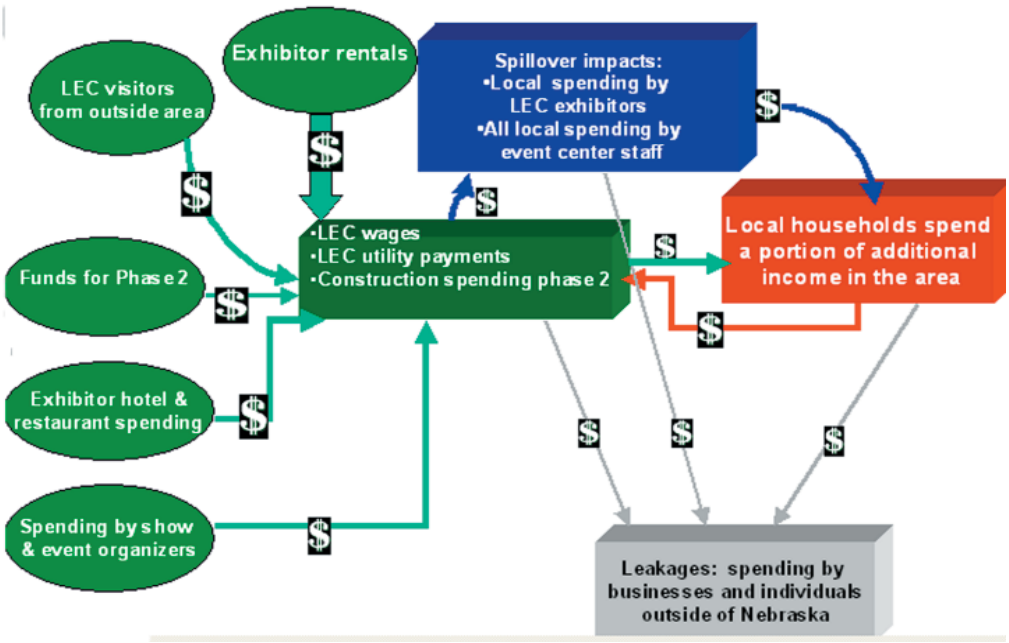
The Multiplier Effect

When LEC employees spend their salaries within the community, this spending filters through the local economy causing increased overall spending greater than the initial spending. The impact of this re-spending is known as the multiplier effect. Economic impacts that take place outside the local economy, for example LEC spending in Kansas City and Des Moines, are called leakages and reduce the multiplier and overall impacts. They are excluded when estimating regional economic impacts. While the direct effects of the LEC event center can be measured by a straightforward methodology, the indirect and induced effects of event center spending must be estimated using regional multipliers.

Community characteristics that affect leakages, and consequently the multiplier include:

Location: Distance to the suppliers affects the

Figure 2.1: Example of impacts of LEC visitors & events



Total impact = direct + indirect + induced - leakages

willingness to purchase locally. For example, if Lincoln firms are unable to provide many of LEC supplies at competitive prices and there are alternative suppliers in Des Moines who are more price competitive, then institutions will be encouraged to spend outside the community. This results in greater leakages, lower multipliers and smaller impacts.

Population size: A larger population provides more opportunities for companies and workers to purchase locally. Larger population areas are associated with fewer leakages and larger multipliers. Thus, in general, convention spending flowing into the LEC and Lincoln will have larger impacts than the same level of revenues flowing into South Sioux City.

Type of Industry: A community will gain more if the inputs required by local industries for production match local resources and are purchased locally. Thus, over time, as new firms are created to match the requirements of an expanded LEC, leakages will be fewer, resulting in larger multipliers and impacts.

Economic impacts identified in this study are short-run in nature and represent annual, recurring events. Long run, but intangible factors, such as work force development and knowledge enhancement are recognized, but no attempt is made to assign dollar values.

The next section discusses the selection of an estimation technique to measure the direct, indirect and induced impacts of the LEC expansion on Lincoln, Lancaster County and the state of Nebraska.

Choosing a Technique to Measure Impacts

The three most common types of impact models are economic base, econometric and input-output (I-O). Since important impacts are often economic, this requirement has created a need for regional economic impact models. The three most common types of impact models are economic base, econometric, and input-output (I-O). Two of the three impact models have inherent disadvantages that markedly reduce their viability for estimating the impact of an expanded LEC on the economy.

Economic Base Model: The economic base model divides the economy into two sectors — the local / service sector and the export sector. The economic base multiplier is an average for all the economy making it impossible to distinguish, for example, the impact of a convention center from that of a new manufacturing plant.

***Econometric Models*:** Econometric models have two major weaknesses. First, the time series data used in constructing econometric models are often unavailable at the state and metropolitan area level, thus precluding county-level analysis. This is especially true for rural counties and for counties with small populations. Second, econometric models are costly to build and maintain.

***Input-Output (I-O) Models*:** I-O models are the most frequently used types of analysis tool for economic impact assessment. Input-output is a simple general equilibrium approach based on an accounting system of injections and leakages. Input-output analysis assumes that each sector purchases supplies from other sectors and then sells its output to other sectors and/or final consumers.

Historically, high costs precluded the extensive use of I-O models in regional impact analysis. For example, approximately $250,000 was expended over a five-year period for the collection and processing of data for a 500-industry Philadelphia I-O study. However, with the advent of "ready-made" multipliers produced by third parties, such as the U.S. Forestry Service, I-O multipliers became a much more viable option for performing impact analysis.

All purely non-survey techniques or "ready-made" multipliers take a national I-O table as a first approximation of regional inter-industry relationships. The national table is then made region specific by removing those input requirements that are not produced in the region.

Input-Output Models: A Preferred Methodology

Input-output systems were originally developed by Wassily Leontief (1941) to assist in planning a national economy. Input-output represents an effective method for depicting and investigating the underlying processes that bind industries to a region. It provides a technique to project into the future the magnitude of important additions or injections into the local economy.

Input-output systems are composed of three basic tables. The first, the *Transactions Table*, traces inter-industry sales and purchases within a defined region. The next table, the *Direct Requirements Table*, answers the question, "If a certain dollar value of intermediate requirements is present for a total dollar value of gross output, what are the intermediate requirements for each industry per dollar or gross output?" The manipulation of these two tables results in the final and most important of the tables, the *Industrial Multiplier Table*. The multiplier table is then used to calculate overall impacts.

Chief problems involved in the use of multipliers are:

•*Selection of industries.* For which industries will impacts be estimated? The selection is generally dictated by definitions used by government agencies that collect the data. For example, most government data do not distinguish employment in a cardiac center or clinic from that in a hospital.

•*Selection of a region.* Again, government agencies collect aggregate data by county, thus requiring the analysis to take place at the county level, or combination of counties. Most developers of "ready-made" multipliers use the *County Business Patterns* as the primary data source. For this study, the county, the metropolitan area and the state are the basis of analysis.

Major Assumptions of the I-O model:

•Constant production coefficients. For example it is assumed that "x" dollars of new revenues flowing to the LEC will produce "y" dollars of output regardless of the scale of operations. In other words, the I-O model assumes constant returns to scale.

•Government purchases or federal contracts and grants represent changes in final demand. That is, government spending is considered an injection into the region.

•Constant technological relationships between inputs and outputs. Thus, I-O multipliers assume that technology remains the same between the time the multipliers are calculated and the period for which impacts are estimated.

•Old purchasing patterns are the same as new purchasing patterns. Thus, it is assumed that purchasing patterns between LEC and its suppliers remain the same over the period of analysis.

•No supply constraints. I-O models do not take into consideration the problem of finding an adequate supply of workers to fill new jobs brought about by the LEC. With a current unemployment rate of between 2.5 percent and 3.5 percent, an expansion in new jobs produced by the expanded LEC would likely go to residents outside the area.[18]

Despite their weaknesses and somewhat restrictive assumptions, I-O multipliers are the most often used methodology for impact analysis. Due to their documented effectiveness and relatively low cost, the I-O multipliers used in this study are those produced by the U.S. Forestry Service and marketed by the Minnesota IMPLAN Group, Inc. The next section describes these multipliers.

Multipliers Used: The IMPLAN Multipliers

The Forestry Service of the U.S. Department of Agriculture developed the IMPLAN multipliers in the 1980's (U.S. Forest Service, 1985). For very populous areas, IMPLAN divides the economy into 528 industrial sectors. Industries that do not exist in the region are automatically eliminated during user construction of the model (e.g. coal mining in Lancaster County). IMPLAN uses an industry-based methodology to derive its input-out coefficients and multipliers. Primary sources for data are *County Business Patterns* and *Bureau of Economic Analysis* data.

Researchers have used IMPLAN to estimate the impact of changes in military spending on the Washington State economy (Hughes, et. al, 1991) and convention spending on the Omaha economy (Goss, 2005). IMPLAN and RIMS (Regional Input-Output Modeling System) are two of the most widely used multiplier models. IMPLAN has been compared to other multiplier systems and found to produce reliable estimates (Richman and Schwer, 1993). Likewise, Crihfield and Campbell (1991), in estimating the impacts of opening an automobile assembly plant, concluded that IMPLAN's outcomes are, on balance, somewhat more accurate than RIMS.

IMPLAN and RIMS (Regional Input-Output Modeling System) are two of the most widely used multiplier models.

[18]Bartik (1991) estimated that 75% of the new net jobs resulting from a business expansion or business relocation go to in-migrants.

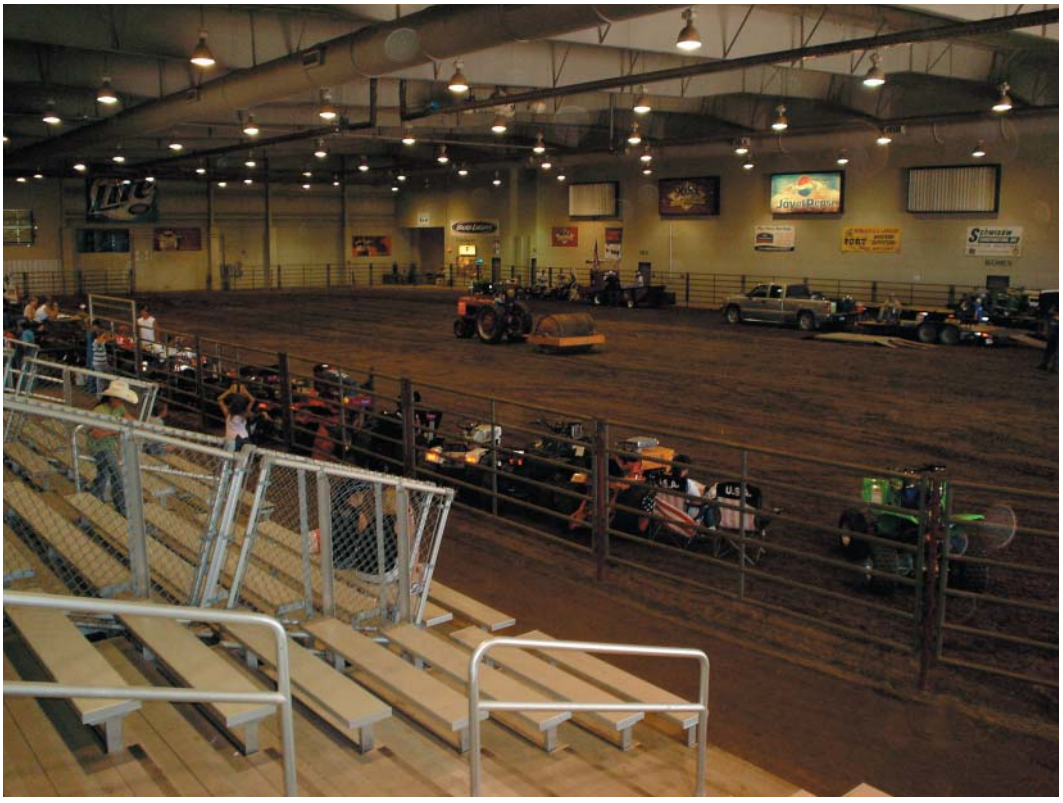
IMPLAN multipliers possess the following advantages over other I-O Multiplier Systems.

1. Price changes are accounted for in the creation of the multipliers.
2. Employment increases or decreases are assumed to produce immediate in or out-migration.
3. Multipliers are produced at reasonable costs by third party vendors. IMPLAN produces five different sets of multipliers.

This study focuses primarily on four of these multipliers. Descriptions of the four multipliers are presented in Table 2.1.

Table 2.1: MULTIPLIERS PROVIDED BY IMPLAN AND USED IN THIS STUDY

Type of Multiplier	Description
Output Multipliers	Represents the value of production required from all sectors to deliver one dollar's worth of output in a particular sector. For LEC, this multiplier is generally in the range of 1.5 to 2.0.
Wage and Salary Multipliers	Shows the direct, indirect, and induced employee wages and salaries generated per dollar of LEC spending (injection). For LEC, this multiplier ranges between .60 and .80.
Employment Multipliers	Direct, indirect and induced employment effects from the production of one million dollars of new spending (injection). For LEC operations, this multiplier is between 30.0 and 50.0.
Proprietor Multipliers	Shows the direct, indirect, and induced proprietor income generated per dollar of LEC spending (injection). For LEC operations, this multiplier ranges between .60 and .80.
Tax Multipliers	Direct, indirect and induced tax effects from each dollar generated by LEC operations.



Chapter 3: Baseline Data: Event and Area Description

Event Trends

The number of attendees per 100 square feet of exhibit space increased from 2.0 in 2003 to 2.2 in 2004 according to a report by Exhibit Surveys Inc. Figure 3.1 profiles average hours that attendees spend visiting exhibits. In 2004, attendees spent an average of 8.6 hours on the show floor compared to 8.9 hours in 2003. In addition, attendees spent an average of 2.4 days visiting exhibits in 2004, compared with 2.3 days in 2003.[19] The figure indicates that the recession interrupted a fairly consistent upward trend in the hours that trade show attendees spend examining products, etc. on the exhibit floor.

Figure 3.2 shows the percentage of trade show attendees intending to buy a product at the show. In this case, the trend has been clearly downward. However as presented, the percentage intending to buy has moved upward over the past two years. Figures 3.1 and 3.2 indicate that the economic viability of the LEC, other things equal, should be favorable over the next few years.

FIGURE 3.1: AVERAGE HOURS ATTENDEE SPENDS VISITING ALL EXHIBITS [20]

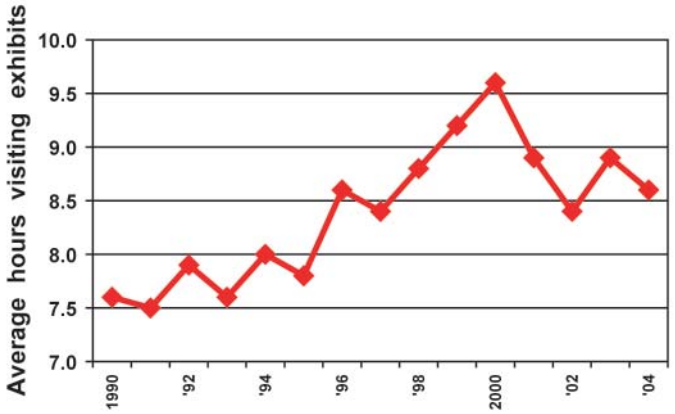
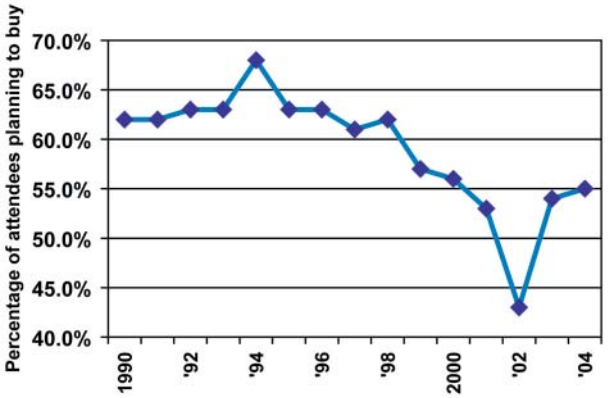


FIGURE 3.2 PERCENTAGE OF ATTENDEES PLANNING TO PURCHASE [21]



[19]http://www.expoweb.com/2005may/may2005425200545751pm.htm
[20]Exhibit Surveys, Inc.
[21]Exhibit Surveys, Inc., 2004

Conferences with Exhibits[22]

Table 3.1 summarizes the most recent data on exhibits across the U.S/Canada, compared to Nebraska and Iowa. Data indicate that both Nebraska's and Iowa's conferences with exhibits tend to be smaller than those across the U.S. In this case, 16.7 percent of Nebraska's events had exhibit space greater than 50,000 compared to 20.4 for the U.S. Data in Table 3.1 point to either a clear need 1) to expand the conference capability in Nebraska or 2) to more effectively market large conference space with exhibits. Again, Phase 2 of the LEC would enhance Nebraska's ability to attract these larger events.

TABLE 3.1: CONFERENCES EXHIBITS 2001

	U.S.	Nebraska	Iowa
Number of events	13,185	66	255
Percent of events > 50,000 sq. ft. exhibitor space	20.4%	16.7%	14.5%
Gross revenues:			
Exhibit space	$6,725,461,570	$20,735,271	$71,474,153
Advertising promotion	$698,242,604	$2,280,208	$9,618,019
Registration fees	$2,958,978,938	$10,286,504	$42,172,656
Total revenue	$10,382,683,112	$33,301,983	$123,264,828
Total number of buyers	64,438,120	58,570	363,225

Source: Exhibition Industry Census

Table 3.2 shows Nebraska conferences differ little from those for the U.S. However, in terms of buyers per event, Nebraska events are smaller. Furthermore, revenues per event were also smaller. Again this data point to the need for larger exhibit space in Nebraska such as LEC's Phase 2.

TABLE 3.2: CONFERENCES WITH EXHIBITS

	U.S. & Canada	Nebraska	Iowa
Gross revenues:			
Exhibit space	64.8%	62.3%	58.0%
Advertising promotion	6.7%	6.8%	7.8%
Registration fees	28.5%	30.9%	34.2%
Total revenue	100.0%	100.0%	100.0%
Number of qualified buyers per event	3,371	553	1,023
Number of non-qualified buyers per event	1,516	334	402
Total buyers per event	4,887	887	1,424
Revenue per event	$787,462	$504,576	$483,391

Source: Exhibition Industry Census

[22]U.S. data include Canada. Source of data in this chapter is Exhibition Industry Census, Center for Exhibition Industry Research, 2001.

Table 3.3 shows the venue of shows or events and indicates that Nebraska events rely more heavily on hotels, and less on standalone event/convention centers. This, of course, provides a basis for the smaller Nebraska events and provides at least a partial justification for an expansion in convention capability in Nebraska.

TABLE 3.3: LOCATION OF CONVENTIONS WITH EXHIBITS

	Venue		
	U.S.	Nebraska	Iowa
Exhibition/Convention Center	37.8%	27.3%	30.2%
Conference Center/Seminar Facility	8.1%	3.0%	8.2%
Hotel	36.9%	53.0%	26.7%
Other	17.2%	16.7%	34.9%
Total	100.0%	100.0%	100.0%

Source: Exhibition Industry Census

Figures 3.3 and 3.4 show the distribution of events with exhibits across the U.S.

Figure 3.3: Events with exhibits per 100,000 population

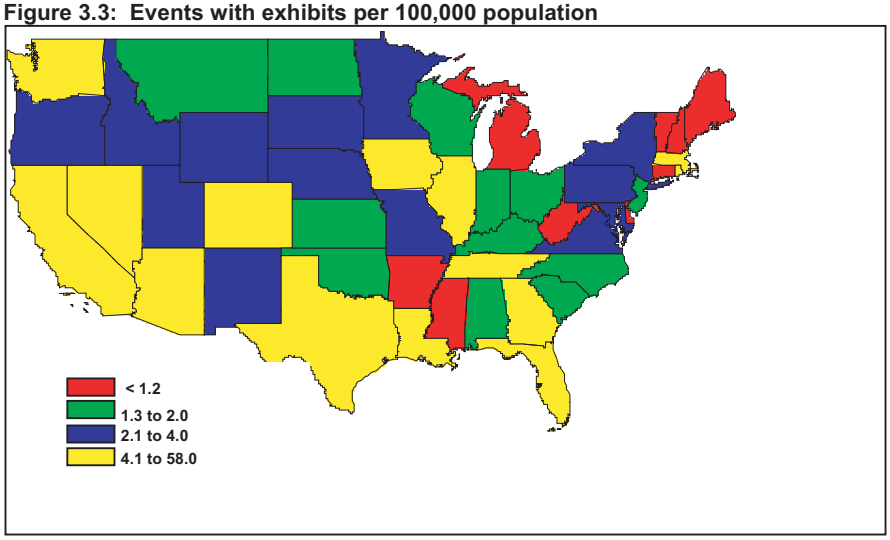
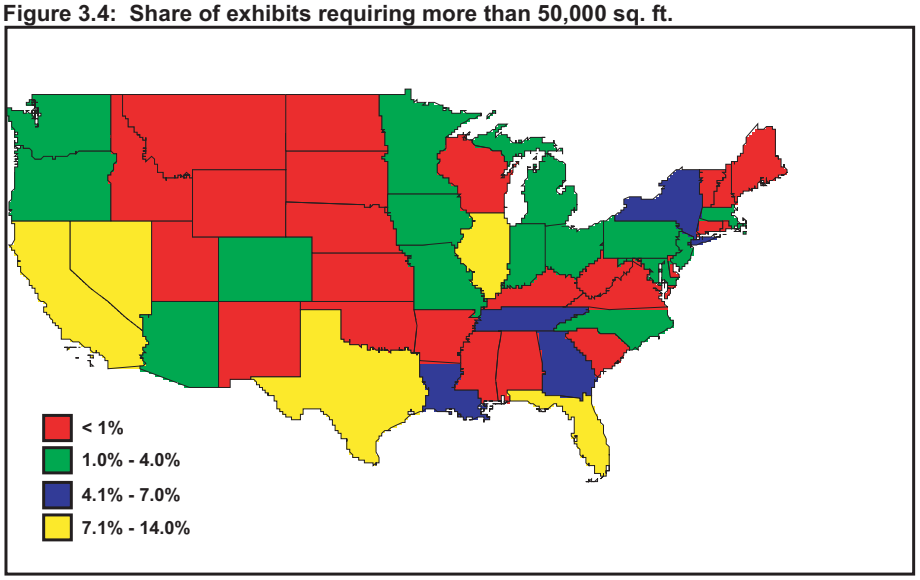


Figure 3.4: Share of exhibits requiring more than 50,000 sq. ft.



Lincoln Compared to Other Cities

Table 3.4 provides a profile of nine event markets including Lincoln. As noted, Lincoln has slightly fewer hotels per 1,000 population than the median, but has the fewest restaurants per 1,000 per population of any of the listed competitors. Furthermore, the number of passengers at the airport for 2004 was the second lowest among the group. This data indicate that, to be competitive, Phase 2 of the LEC must be marketed aggressively. Additionally, it points to the importance of commercial development to the ultimate success of Phase 2.

TABLE 3.4: COMPARISON OF EVENT MARKETS

Metro Area	County	Population	Airport passengers	Number of Hotels	Hotel Employees	Number of Restaurants	Restaurant employees	Hotels Per 10000 pop	Restaurants Per 10000 pop
Des Moines, IA	Polk	388,841	975,519	92	2,661	829	14,431	2.37	21.32
Fargo, ND	Cass	126,769	261,655	36	1,181	258	3,082	2.84	20.35
Harrisburg, PA	Dauphin	253,311	680,377	61	3,164	561	8,878	2.41	22.15
Lincoln, NE	Lancaster	260,007	220,129	48	1,042	477	10,638	1.85	18.35
Madison, WI	Dane	447,694	846,181	71	2,260	958	19,014	1.59	21.40
Sioux Falls, SD	Minnehaha	154,966	328861	50	1,568	347	8,077	3.23	22.39
Topeka, KS	Shawnee	171,255	7,031	33	681	332	5,970	1.93	19.39
Tulsa, OK	Tulsa	570,181	1,462,560	91	2,765	1,259	23,127	1.60	22.08
Wichita, KS	Sedgwick	462,199	728,833	71	1,921	890	16,787	1.54	19.26

Source of airport passengers: U.S. Dept. of Transportation (2004); Source of all other data: U.S. Census County 2003 Business Patterns

Table 3.5 compares the expanded LEC to other event centers in the region and nation. While several of the facilities did not have an adjoining hotel, most tended to rely on a hotel in close proximity to house exhibitors and organizers as well as attendees from outside the area.

TABLE 3.5:

	Size-square feet	Parking spaces	Hotel space (rooms)	Events-2005	Arena seating	Hotel rooms per 10,000 sq. feet
Alliant Center	168,275	5,500	140	n.a.		8.3
Century II	720,000	1,200	303	81	4,100	4.2
Fargodome	120,000	4,000	No hotel		27,000	0.0
Kansas Expo Center	210,450		224	205	10,000	10.6
LEC (Phase 1 + Phase 2)	404,000	3,000	75	104	2,000	1.9
Pennsylvania Farm Show Complex	425,531	6 acres	No hotel	200	7,000	0.0
Sioux Falls Convention Center	100,000	3,800	243	11	6,100	24.3
Tulsa Expo	448,000	9,000	0	400	2,700	0.0

Output, Earnings and Jobs by Industry: Nebraska, Lincoln & Lancaster County

The remainder of this chapter presents baseline data for the three comparison or impact areas. Table 3.6 compares the areas according to output. Output represents value of sales of goods and services in the area for the calendar year.

TABLE 3.6: COMPARISON OF OUTPUT (IN MILLIONS) BY INDUSTRY, NEBRASKA, LINCOLN MSA & LANCASTER COUNTY

NAICS Code	Industry	Nebraska	Lincoln	Lancaster County
11	Ag, Forestry, Fish & Hunting	$10,675.9	$226.7	$112.9
21	Mining	$386.4	$8.4	$8.4
22	Utilities	$1,473.6	$23.0	$23.0
23	Construction	$7,008.7	$1,224.4	$1,181.1
31-33	Manufacturing	$27,025.7	$4,573.9	$4,384.7
42	Wholesale Trade	$5,072.6	$532.0	$513.6
48-49	Transportation & Warehousing	$7,385.7	$1,083.5	$1,022.7
44-45	Retail trade	$6,023.2	$921.9	$897.3
51	Information	$3,827.7	$514.6	$510.9
52	Finance & insurance	$9,246.1	$1,676.9	$1,646.7
53	Real estate & rental	$3,346.0	$502.4	$492.9
54	Professional- scientific & tech services	$4,054.5	$1,031.0	$1,003.9
55	Management of companies	$1,891.3	$227.8	$227.8
56	Administrative & waste services	$2,638.8	$305.3	$301.6
61	Educational services	$805.9	$132.4	$109.6
62	Health & social services	$7,203.3	$1,548.6	$1,515.6
71	Arts- entertainment & recreation	$660.8	$125.3	$122.7
72	Accomodation & food services	$2,707.1	$534.3	$516.6
81	Other services	$3,215.2	$566.7	$552.7
92	Government & non NAICs	$18,439.7	$3,096.9	$2,959.3
	Totals	$123,088.2	$18,856.1	$18,103.8

TABLE 3.7: COMPARISON OF EMPLOYMENT BY INDUSTRY, NEBRASKA, LINCOLN MSA & LANCASTER COUNTY			
NAICS			Lancaster
Code Industry	Nebraska	Lincoln MSA	County
11 Ag, Forestry, Fish & Hunting	75,154	3,702	1,950
21 Mining	2,069	51	51
22 Utilities	1,633	67	67
23 Construction	70,693	12,889	12,436
31-33 Manufacturing	105,618	16,372	15,451
42 Wholesale Trade	42,730	4,741	4,535
48-49 Transportation & Warehousing	56,061	8,562	8,018
44-45 Retail trade	134,190	20,191	19,531
51 Information	23,229	3,197	3,148
52 Finance & insurance	62,794	11,102	10,882
53 Real estate & rental	27,038	4,928	4,863
54 Professional- scientific & tech svcs	55,271	13,145	12,493
55 Management of companies	13,959	2,243	2,243
56 Administrative & waste services	56,827	8,554	8,502
61 Educational svcs	16,969	3,051	2,493
62 Health & social services	111,369	21,959	21,303
71 Arts- entertainment & recreation	17,871	4,242	4,170
72 Accomodation & food services	75,276	14,891	14,319
81 Other services	65,989	10,988	10,738
92 Government & non NAICs	156,103	36,507	35,573
Totals	1,170,844	201,381	192,767

TABLE 3.8: COMPARISON OF WAGES & SALARIES (IN MILLIONS) BY INDUSTRY, NEBRASKA, LINCOLN MSA & LANCASTER COUNTY

NAICS Code	Industry	Nebraska	Lincoln MSA	Lancaster County
11	Ag, Forestry, Fish & Hunting	$474.3	$12.2	$5.7
21	Mining	$55.6	$1.1	$1.1
22	Utilities	$128.6	$5.0	$5.0
23	Construction	$2,031.6	$361.8	$351.9
31-33	Manufacturing	$4,388.6	$799.8	$768.5
42	Wholesale Trade	$1,832.2	$206.6	$199.6
48-49	Transportation & Warehousing	$2,619.3	$423.0	$402.6
44-45	Retail trade	$2,464.5	$382.6	$372.8
51	Information	$1,083.6	$121.7	$120.8
52	Finance & insurance	$2,448.6	$414.3	$406.4
53	Real estate & rental	$307.4	$51.3	$50.6
54	Professional- scientific & tech svcs	$2,102.0	$446.3	$432.0
55	Management of companies	$887.3	$102.4	$102.4
56	Administrative & waste services	$1,188.8	$128.6	$127.5
61	Educational svcs	$370.7	$56.3	$48.2
62	Health & social services	$3,345.5	$695.4	$679.0
71	Arts- entertainment & recreation	$172.5	$31.6	$30.9
72	Accomodation & food services	$880.5	$174.1	$169.6
81	Other services	$1,076.2	$186.7	$183.2
92	Government & non NAICs	$6,288.0	$1,444.1	$1,409.1
Totals (in millions)		$34,145.9	$6,044.8	$5,866.6

TABLE 3.9: COMPARISON OF SELF EMPLOYMENT INCOME (IN MILLIONS) BY INDUSTRY, NEBRASKA, LINCOLN MSA & LANCASTER COUNTY

NAICS Code Industry	Nebraska	Lincoln MSA	Lancaster County
11 Ag, Forestry, Fish & Hunting	$585.8	$25.2	$15.5
21 Mining	$52.3	$1.1	$1.1
22 Utilities	$220.2	-$0.1	-$0.1
23 Construction	$569.9	$69.5	$64.0
31-33 Manufacturing	$283.8	$47.8	$46.0
42 Wholesale Trade	$199.3	$10.5	$10.1
48-49 Transportation & Warehousing	$406.2	$72.3	$69.9
44-45 Retail trade	$269.9	$39.7	$38.1
51 Information	$78.8	$14.9	$14.8
52 Finance & insurance	$169.2	$36.6	$36.3
53 Real estate & rental	$241.9	$37.3	$36.7
54 Professional- scientific & tech svcs	$509.6	$103.3	$101.9
55 Management of companies	$0.0	$0.0	$0.0
56 Administrative & waste services	$92.4	$14.9	$14.9
61 Educational svcs	$8.9	$0.3	-$0.1
62 Health & social services	$380.0	$135.8	$134.5
71 Arts- entertainment & recreation	$63.9	$9.9	$9.9
72 Accommodation & food services	$35.1	$6.2	$6.0
81 Other services	$191.1	$11.1	$9.1
92 Government & non NAICs	$0.0	$0.0	$0.0
Totals	$4,358.3	$636.5	$608.8

IMPACTS

Chapter 4:
Impact of LEC Phase 2[23] Construction

Commercial Development

In addition to the impact of yearly operations on the economy, the expansion of the LEC and the commercial development on the 14.4 acres will create output, earnings, jobs, taxes and self-employment income via construction activity. In this case, the $4,690,000 commercial construction project creates the impacts listed in table 4.1 for Nebraska, in table 4.2 for the Lincoln MSA and in table 4.3 for Lancaster County. Listed in table 4.4 are the state and local tax impacts associated with the construction of the commercial space.

TABLE 4.1: IMPACT OF COMMERCIAL CONSTRUCTION ON THE STATE OF NEBRASKA (ONE YEAR ONLY)

		Jobs	Self employment income	Wages & salaries	Sales or output
NAICS Code	Industry				
11	Ag, Forestry, Fish & Hunting	0.2	$878	$1,816	$32,632
21	Mining	0.0	$386	$225	$3,853
22	Utilities	0.0	$4,295	$2,517	$28,051
23	Construction	49.9	$432,883	$1,542,215	$4,182,473
31-33	Manufacturing	1.7	$3,679	$72,984	$351,257
42	Wholesale Trade	2.0	$10,281	$94,524	$261,705
48-49	Transportation & Warehousing	1.3	$4,789	$54,811	$140,722
44-45	Retail trade	11.6	$26,386	$247,596	$602,401
51	Information	0.5	$1,776	$25,075	$109,207
52	Finance & insurance	2.2	$6,539	$93,507	$348,291
53	Real estate & rental	1.2	$12,543	$16,262	$173,290
54	Professional- scientific & tech services	4.3	$45,439	$188,697	$371,915
55	Management of companies	0.3	-$1	$24,030	$51,217
56	Administrative & waste services	2.4	$4,384	$55,841	$112,472
61	Educational services	0.7	$358	$15,199	$33,941
62	Health & social services	5.1	$24,180	$184,923	$397,950
71	Arts- entertainment & recreation	0.9	$3,196	$9,265	$35,657
72	Accommodation & food services	3.6	$1,906	$47,656	$146,404
81	Other services	3.1	$9,242	$53,493	$159,584
92	Government & non NAICs	0.3	$0	$20,462	$392,711
	Institutions	0.0	$0	$0	$560,473
	Total	91.3	$593,139	$2,751,098	$8,496,206

[23]At this time (June 21, 2005), the latest data available from Implan was from 2002.

TABLE 4.2: IMPACT OF COMMERCIAL CONSTRUCTION ON LINCOLN METROPOLITAN AREA									
NAICS		Jobs		Self employment income		Wages & salaries		Sales or output	
Code	Industry		RPC		RPC		RPC		RPC
11	Ag, Forestry, Fish & Hunting		0.1		$259		$507		$6,487
21	Mining		0.0		$28		$15		$274
22	Utilities		0.0		-$7		$765		$3,501
23	Construction		34.0		$197,163		$1,026,777		$2,725,021
31-33	Manufacturing		0.8		$2,885		$34,248		$171,485
42	Wholesale Trade		0.8		$2,079		$40,846		$105,147
48-49	Transportation & Warehousing		0.8		$4,872		$37,089		$90,593
44-45	Retail trade		6.9		$15,968		$150,912		$363,711
51	Information		0.3		$1,787		$15,390		$67,510
52	Finance & insurance		1.2		$4,860		$49,034		$196,300
53	Real estate & rental		0.9		$7,736		$10,432		$107,630
54	Professional- scientific & tech services		3.4		$29,832		$132,180		$261,416
55	Management of companies		0.2		$0		$13,291		$29,583
56	Administrative & waste services		1.5		$3,116		$26,444		$59,111
61	Educational services		0.4		-$70		$7,474		$18,147
62	Health & social services		2.8		$20,290		$104,082		$231,886
71	Arts- entertainment & recreation		0.7		$1,734		$5,464		$22,519
72	Accommodation & food services		2.2		$1,037		$28,358		$86,906
81	Other services		1.7		$1,797		$28,907		$88,653
92	Government & non NAICs		0.2		$0		$11,117		$233,481
	Institutions		0.0		$0		$0		$1,819,835
	Total		58.9		$295,366		$1,723,332		$6,689,196

TABLE 4.3: IMPACT OF COMMERCIAL CONSTRUCTION ON LANCASTER COUNTY

NAICS		Jobs		Self employment income		Wages & salaries		Sales or output	
Code	Industry		RPC		RPC		RPC		RPC
11	Ag, Forestry, Fish & Hunting		0.00		$137		$252		$3,663
21	Mining		0.00		$29		$16		$287
22	Utilities		0.00		-$8		$788		$3,607
23	Construction		33.70		$186,324		$1,023,649		$2,694,610
31-33	Manufacturing		0.80		$2,913		$33,180		$165,319
42	Wholesale Trade		0.80		$2,081		$41,008		$105,542
48-49	Transportation & Warehousing		0.70		$4,775		$37,012		$89,577
44-45	Retail trade		6.80		$15,747		$150,634		$362,906
51	Information		0.30		$1,773		$15,264		$67,197
52	Finance & insurance		1.20		$4,941		$48,980		$196,010
53	Real estate & rental		0.90		$7,814		$10,589		$108,745
54	Professional- scientific & tech services		3.20		$30,123		$130,212		$258,147
55	Management of companies		0.20		$0		$13,178		$29,333
56	Administrative & waste services		1.50		$3,137		$26,514		$58,841
61	Educational services		0.40		-$100		$7,174		$16,917
62	Health & social services		2.80		$20,249		$103,396		$230,435
71	Arts- entertainment & recreation		0.70		$1,771		$5,500		$22,692
72	Accommodation & food services		2.10		$1,033		$28,395		$86,384
81	Other services		1.70		$1,406		$28,969		$87,904
92	Government & non NAICs		0.20		$0		$10,879		$230,813
	Institutions		0.00		$0		$0		$1,847,678
	Total		58.00		$284,145		$1,715,589		$6,666,607

TABLE 4.4: IMPACT OF COMMERCIAL CONSTRUCTION ON STATE AND LOCAL TAX COLLECTIONS		
Corporate Profits Tax		$2,975
Dividends		$8,013
Indirect Bus Tax: Motor Vehicle License		$1,709
Indirect Bus Tax: Other Taxes		$13,608
Indirect Bus Tax: Property Tax		$78,469
Indirect Bus Tax: S/L Non-Taxes		$20,677
Indirect Bus Tax: Sales Tax		$79,477
Indirect Bus Tax: Severance Tax		$61
Personal Tax: Estate and Gift Tax		$0
Personal Tax: Income Tax		$60,269
Personal Tax: Motor Vehicle License		$3,763
Personal Tax: Non-Taxes (Fines- Fees)		$960
Personal Tax: Other Tax (Fish/Hunt)		$1,951
Personal Tax: Property Taxes		$1,826
Contributions to employee retirements		$1,454
Miscellaneous taxes		$3,952
Total state & local taxes		$279,164

The $15 million construction of the LEC expansion generates the impacts listed in Table 4.5 for Nebraska, in Table 4.6 for Lincoln MSA and in Table 4.7 for Lancaster County. Table 4.8 lists the impact of construction of the LEC on state and local tax collections.

TABLE 4.5: IMPACT OF LEC CONSTRUCTION ON THE STATE OF NEBRASKA

NAICS Code	Industry	Jobs	Self-employment income	Wages & salaries	Sales or output
11	Ag, Forestry, Fish & Hunting	0.60	$2,793	$5,803	$104,341
21	Mining	0.10	$1,204	$707	$11,982
22	Utilities	0.10	$13,605	$7,975	$88,911
23	Construction	161.80	$1,380,556	$4,918,451	$13,338,795
31-33	Manufacturing	5.50	$11,687	$231,776	$1,115,329
42	Wholesale Trade	6.40	$32,556	$299,318	$828,708
48-49	Transportation & Warehousing	4.30	$15,236	$174,091	$447,636
44-45	Retail trade	37.60	$83,075	$779,539	$1,896,616
51	Information	1.70	$5,636	$79,592	$346,676
52	Finance & insurance	7.00	$20,632	$295,256	$1,099,691
53	Real estate & rental	4.00	$39,706	$51,472	$548,678
54	Professional/ scientific/ tech services	13.90	$143,734	$596,879	$1,176,541
55	Management of companies	1.00	-$2	$74,778	$159,383
56	Administrative & waste services	7.70	$13,864	$176,657	$356,295
61	Educational services	2.10	$1,130	$48,048	$107,297
62	Health & social services	16.60	$75,552	$578,795	$1,245,701
71	Arts- entertainment & recreation	2.90	$10,188	$29,551	$113,730
72	Accommodation & food services	11.70	$6,032	$150,875	$463,547
81	Other services	9.90	$29,193	$169,494	$504,807
92	Government & non NAICs	1.10	$0	$63,831	$1,266,026
	Institutions	0.00	$0	$0	$1,818,173
	TOTAL	296.0	$1,886,377	$8,732,888	$27,038,863

TABLE 4.6: IMPACT OF LEC CONSTRUCTION ON THE LINCOLN MSA									
NAICS		Jobs		Self employment income		Wages & salaries		Sales or output	
Code	Industry		RPC	RPC			RPC		RPC
11	Ag, Forestry, Fish & Hunting		0.3	$848			$1,671		$21,373
21	Mining		0.0	$90			$50		$880
22	Utilities		0.0	-$24			$2,500		$11,436
23	Construction		113.5	$647,401			$3,371,508		$8,947,830
31-33	Manufacturing		2.6	$9,459			$111,963		$560,287
42	Wholesale Trade		2.8	$6,779			$133,169		$342,807
48-49	Transportation & Warehousing		2.5	$15,873			$121,412		$296,686
44-45	Retail trade		22.9	$51,761			$489,196		$1,179,003
51	Information		1.1	$5,845			$50,336		$220,808
52	Finance & insurance		3.9	$15,796			$159,408		$638,125
53	Real estate & rental		3.0	$25,207			$33,996		$350,808
54	Professional- scientific & tech Service		11.3	$97,184			$430,547		$851,605
55	Management of companies		0.8	-$1			$42,583		$94,785
56	Administrative & waste services		5.0	$10,141			$86,135		$192,782
61	Educational services		1.3	-$229			$24,327		$59,064
62	Health & social services		9.5	$65,280			$335,516		$747,492
71	Arts- entertainment & recreation		2.2	$5,690			$17,945		$73,954
72	Accommodation & food services		7.2	$3,377			$92,447		$283,331
81	Other services		5.6	$5,845			$94,311		$289,023
92	Government & non NAICs		0.6	$0			$35,686		$775,576
	Institutions		0.0	$0			$0		$6,078,231
	Total		196.10	$966,322			$5,634,706		$22,015,886

TABLE 4.7: IMPACT OF LEC CONSTRUCTION ON LANCASTER COUNTY									
NAICS		Jobs		Self employment income		Wages & salaries		Sales or output	
Code	Industry	RPC		RPC		RPC		RPC	
11	Ag, Forestry, Fish & Hunting	0.2		$453		$834		$12,152	
21	Mining	0.0		$94		$52		$925	
22	Utilities	0.0		-$25		$2,592		$11,858	
23	Construction	113.0		$615,784		$3,383,063		$8,905,425	
31-33	Manufacturing	2.6		$9,615		$109,197		$543,774	
42	Wholesale Trade	2.8		$6,828		$134,566		$346,330	
48-49	Transportation & Warehousing	2.5		$15,659		$121,952		$295,268	
44-45	Retail trade	22.9		$51,377		$491,464		$1,184,033	
51	Information	1.1		$5,838		$50,250		$221,208	
52	Finance & insurance	3.9		$16,164		$160,270		$641,329	
53	Real estate & rental	3.0		$25,626		$34,733		$356,725	
54	Professional- scientific & tech services	10.8		$98,767		$426,870		$846,384	
55	Management of companies	0.8		-$1		$42,497		$94,593	
56	Administrative & waste services	5.0		$10,276		$86,917		$193,136	
61	Educational services	1.2		-$328		$23,500		$55,418	
62	Health & social services	9.4		$65,567		$335,475		$747,638	
71	Arts- entertainment & recreation	2.2		$5,849		$18,180		$75,004	
72	Accommodation & food services	7.1		$3,384		$93,168		$283,453	
81	Other services	5.6		$4,605		$95,132		$288,478	
92	Government & non NAICs	0.6		$0		$35,148		$771,777	
	Institutions	0.0		$0		$0		$6,211,297	
	Total	194.7		$935,532		$5,645,860		$22,086,205	

TABLE 4.8 : TAX IMPACT OF CONSTRUCTION OF LEC		
LEC Construction		
Corporate Profits Tax		$9,642
Dividends		$25,971
Indirect Bus Tax: Motor Vehicle Lic		$5,538
Indirect Bus Tax: Other Taxes		$44,102
Indirect Bus Tax: Property Tax		$254,312
Indirect Bus Tax: S/L NonTaxes		$67,012
Indirect Bus Tax: Sales Tax		$257,582
Indirect Bus Tax: Severance Tax		$197
Personal Tax: Estate and Gift Tax		$0
Personal Tax: Income Tax		$195,327
Personal Tax: Motor Vehicle License		$12,197
Personal Tax: NonTaxes (Fines- Fees		$3,112
Personal Tax: Other Tax (Fish/Hunt)		$6,324
Personal Tax: Property Taxes		$5,917
Social Ins Tax- Employee Contribution		$4,712
Social Ins Tax- Employer Contribution		$12,808
Total state & local non-education		$904,753

Chapter 5:
Estimated Annual Economic Impact of

Upon completion of Phase 2, the LEC will be able to successfully market to shows, conventions and conferences that find the current size of the LEC too small.

Below are listed the steps involved in estimating those impacts.

Step 1: Determine or estimate the additional conventions or shows that would result from Phase 2 operations.

Step 2: Estimate the number of visitors and exhibitors from the additional conventions and shows.

Step 3: Estimate total new spending in the state of Nebraska, Lincoln MSA and Lancaster County. Using average spending from the International Association of Convention & Visitors Bureaus (IACVB), calculate new dollars from attendees, exhibitors and conference organizers.

Step 4: Input new spending into IMPLAN multiplier system.

Step 5: Obtain estimated economic impacts created by Phase 2 operations from modules of IMPLAN.

The following assumptions are used to produce estimated economic impacts on Nebraska, the Lincoln MSA and Lancaster County for 2007:

- 2002 IMPLAN multipliers are used.
- Default regional purchasing coefficients from IMPLAN are used. RPCs represent the share of final demand that is met by local suppliers. For example, in the operation of the event center, if Lincoln firms provide 80 percent of hotel supplies bought due to convention visitors, the RPC is 80 percent.
- Estimated tax impacts come directly from the IMPLAN program.
- Average convention attendee spending comes from IACVB based on their 2004 survey.
- Average exhibitor spending comes from IACVB based on their 2004 survey.
- Average convention organizer spending comes from IACVB based on their 2004 survey.

Table 5.1 lists potential events and conferences that could potentially use the LEC that cannot make use of the LeC as it now stands. The information provided is data on the latest show, conference or convention. It is estimated that the addition of Phase 2 will allow the LEC to add from 12 to 20 additional events.[24]

Based on our survey listed in Table ??, less than 50 percent of the participants are from outside the state. Thus, it is assumed that their spending is not “new” to the area, but is instead simply a redistribution of current spending. Additionally, Lancaster County residents attending an event would not stay in a local hotel.

TABLE 5.1: POTENTIAL EVENTS FOR PHASE 2, LEC, 2007 [25]

Top events	Days	Visitors	Visitors per day	# Exhibitors	Last location
Big Iron Farm Show and Expo	3	70,000	23,333	800	West Fargo, ND
Western Farm Show	3	30,000	10,000	660	Kansas City, MO
International Lawn, Garden & Flower Show	3	25,000	8,333	452	KY Expo
National FFA	4	45,686	11,422	350	KY Expo
Mid-America Farm Expo	3	13,000	4,333	280	Salina, KS
North America Farm and Power Show (Outdoor Show)	3	20,100	6,700	276	Owatonna, Minnesota
National Street Rod Convention	4	30,000	7,500	250	KY Expo
U.S. National Arabian & Half-Arabian Championship Horse Show	9	13,000	1,444	200	KY Expo
International Fuel Ethanol Workshop and Trade Show	4	1,500	375	190	Madison, WI
ACE Conference & Trade Show / Sioux Falls, SD 2003	3	1,000	333	117	Sioux Falls, SD
KRGI AM-FM Agri-Expo	2	3,500	1,750	110	Grand Island, NE
Minnesota Horse Expo	3	40,000	13,333	700	Minnesota State Fair Grounds, Minneapolis, MN
Total	44	292,786	6,654	4,385	

[24]e-mail message from Mr. Wayne Venter to Goss.

[25]Mr. Wayne Venter, Director of the Lancaster Event Center, has estimated that the addition of Phase 2 would allow the LEC to recruit 12 to 20 additional conventions with exhibits each year. Contained in Table 5.1 are events that are possible or even likely.

Table 5.2 lists the distribution of spending by attendees, organizers and exhibitors based on IACVB's 2004 survey. Based on the 2004 IAVBC survey, the additional spending for the conferences in Table 5.1 is distributed as presented in Table 5.2.

Table 5.3 provides estimated spending for organizers, exhibitors and attendees for 12 events as listed in Table 5.1. Assuming that the 12 events listed in Table 5.3 are local/state events, it is estimated that additional spending into the area will be over $65 million. On the other hand, if the events are regional or national, the added spending is over $106 million.

In each case, it is assumed that the number of organizers, exhibitors and attendees are the same. The difference is due to the fact that for local events less than 50 percent of the participants are from outside the state. Thus, it is assumed that their spending is not "new" to the area, but is instead simply a re-distribution of current spending. Additionally, Lancaster County residents attending an event would not stay in a local hotel.

These events or similar events could be successfully brought to the LEC based on a comparison of the LEC and Lincoln to competing venues and cities. However, this level of visitation can only be obtained with a very aggressive marketing campaign and the proposed commercial development.

TABLE 5.2: DISTRIBUTION OF SPENDING

	Organization	Exhibitor	Attendees
Food & Beverage	10.6%	15.1%	28.7%
Entertainment			3.1%
Retail			11.0%
Facility rental	64.0%		
Equipment rental	2.2%		
Technology services	1.9%		
Services hired	5.0%		
Living accommodations	11.6%	24.2%	47.6%
Promotional expenses	2.6%	1.6%	
Local transportation	1.6%	8.3%	9.6%
Other	0.7%	2.3%	
Exhibit related		48.5%	
	100.0%	100.0%	100.0%
IAVBC 2003 and 2004 surveys			

TABLE 5.3: ESTIMATED SPENDING FROM PHASE 2 EVENTS—2007

12 state/local events

	Organizers	Exhibitors	Attendees	Total
Lodging	$540,866	$3,268,003	$17,676,530	$21,485,400
Food & Beverage	$493,933	$4,065,979	$10,646,457	$15,206,370
Entertainment			$1,158,865	$1,158,865
Retail	$32,252		$4,076,296	$4,108,548
Transportation	$73,974	$2,228,678	$3,536,704	$5,839,356
Other	$32,252	$625,117	$23,764	$681,133
Exhibit related	$3,380,061	$13,045,922		$16,425,983
Promotion	$121,705	$423,992		$545,698
Total 2007-12 events	$4,675,044	$23,657,692	$37,118,616	$65,451,353
12 regional events				
	Organizers	Exhibitors	Attendees	Total
Lodging	$540,866	$3,268,003	$37,022,790	$40,831,659
Food & Beverage	$493,933	$4,065,979	$22,298,582	$26,858,494
Entertainment			$2,427,196	$2,427,196
Retail	$32,252		$8,537,640	$8,569,892
Transportation	$73,974	$2,228,678	$7,407,486	$9,710,138
Other	$32,252	$625,117	$49,774	$707,143
Exhibit related	$3,380,061	$13,045,922		$16,425,983
Promotion	$121,705	$423,992		$545,698
Total 2007-12 regional events	$4,675,044	$23,657,692	$77,743,467	$106,076,203

Tables 5.4 and 5.5 list the impacts of Phase 2 operations on Nebraska and Lancaster County, respectively. Since Lincolm MSA results are almost identical to Lancaster County results, they are not presented here.

TABLE 5.4: IMPACT ON THE STATE OF NEBRASKA FROM PHASE 2 OPERATIONS, 2007 [26]

Industry Code		Output		Earnings		Self-employment income		Jobs	
		Regional	State/local	Regional	State/local	Regional	State/local	Regional	State/local
11	Ag, Forestry, Fish & Hunting	$1,292,073	$767,074	$73,141	$44,391	$19,447	$12,363	7	4.1
21	Mining	$64,970	$39,888	$2,702	$1,669	$5,965	$3,677	0.3	0.2
22	Utilities	$595,362	$361,073	$53,297	$32,337	$91,082	$55,244	0.6	0.4
23	Construction	$766,702	$450,413	$275,317	$161,335	$78,185	$45,812	8.9	5.2
31-33	Manufacturing	$6,041,708	$3,657,334	$1,024,583	$621,852	$79,975	$47,773	23	13.9
42	Wholesale Trade	$4,170,984	$2,610,649	$1,506,503	$942,931	$163,859	$102,561	31.3	19.6
48-49	Transportation & Warehousing	$7,250,135	$4,421,040	$2,632,114	$1,607,462	$88,403	$54,742	115.3	69.9
44-45	Retail trade	$15,398,195	$8,980,513	$6,568,891	$3,760,683	$834,911	$473,108	397.4	226.7
51	Information	$2,275,724	$1,415,269	$521,021	$324,530	$37,179	$23,154	12.3	7.7
52	Finance & insurance	$5,061,910	$3,177,635	$1,379,350	$864,368	$94,036	$59,018	31.3	19.6
53	Real estate & rental	$3,542,060	$2,173,373	$308,663	$190,327	$250,814	$154,379	25.3	15.5
54	Professional- scientific & tech svcs	$2,693,791	$1,852,398	$1,275,170	$870,469	$303,793	$207,126	33.7	23.1
55	Management of companies	$1,280,020	$793,042	$600,550	$372,074	-$13	-$8	7.7	4.8
56	Administrative & waste services	$13,156,657	$12,491,114	$5,993,416	$5,700,602	$470,619	$447,969	355.1	342.8
61	Educational svcs	$497,144	$319,645	$220,893	$141,388	$5,176	$3,305	9.6	6.2
62	Health & social services	$5,614,257	$3,551,006	$2,608,823	$1,650,077	$341,136	$215,767	72.3	45.7
71	Arts- entertainment & recreation	$2,754,576	$1,416,839	$668,515	$345,276	$186,001	$98,518	53.9	28.6
72	Accomodation & food services	$50,725,136	$27,955,296	$17,415,956	$9,570,459	$847,449	$461,284	1,160.3	642.3
81	Other services	$2,264,068	$1,416,023	$781,603	$489,924	$134,435	$83,810	45	28.2
92	Government & non NAICs	$6,865,843	$4,238,078	$478,595	$291,375	$0	$0	8	4.9
	Instutitions	$30,671,854	$19,130,214	$0	$0	$0	$0	0	0
	Total	$162,983,169	$101,217,916	$44,389,103	$27,983,529	$4,032,452	$2,549,602	2,398.3	1,509.4

[26]Regional refers to the impact assumed that the 12 events are regional while state/local assumes that the 12 events added are state/local.

TABLE 5.5: IMPACT OF PHASE 2 OPERATIONS ON LANCASTER COUNTY, 2007									
		Output		Earnings		Self-employment income		Jobs	
		Regional	State/local	Regional	State/local	Regional	State/local	Regional	State/local
11	Ag, Forestry, Fish & Hunting	$227,892	$140,444	$17,018	$11,360	$5,202	$3,860	3	2
21	Mining	$7,770	$4,841	$342	$225	$744	$469	0	0
22	Utilities	$118,026	$71,740	$25,792	$15,678	-$250	-$152	0	0
23	Construction	$728,239	$429,171	$271,419	$159,569	$49,974	$29,377	9	5
31-33	-33 Manufacturing	$3,257,761	$2,023,952	$554,932	$346,489	$73,504	$43,844	13	8
42	Wholesale Trade	$2,517,575	$1,588,027	$978,201	$617,026	$49,637	$31,310	20	13
48-49	Transportation & Warehousing	$6,377,485	$3,899,605	$2,310,725	$1,417,605	$120,705	$75,190	103	62
44-45	Retail trade	$14,953,699	$8,646,088	$5,977,030	$3,417,821	$1,277,491	$702,391	375	210
51	Information	$1,797,742	$1,132,912	$406,535	$256,641	$48,175	$30,401	10	6
52	Finance & insurance	$4,253,848	$2,684,852	$1,080,889	$680,970	$108,505	$68,337	25	16
53	Real estate & rental	$3,339,262	$2,060,861	$326,554	$201,956	$231,349	$143,323	30	18
54	Professional- scientific & tech svcs	$2,996,549	$2,056,039	$1,404,957	$959,561	$311,649	$213,123	37	25
55	Management of companies	$1,129,253	$706,400	$507,327	$317,356	-$15	-$10	9	6
56	Administrative & waste services	$12,983,576	$12,462,415	$5,355,720	$5,148,199	$539,331	$514,811	404	393
61	Educational svcs	$385,468	$250,675	$161,807	$104,646	-$2,750	-$1,954	8	5
62	Health & social services	$4,977,177	$3,149,558	$2,233,195	$1,413,167	$437,353	$276,757	61	38
71	Arts- entertainment & recreation	$2,637,449	$1,366,295	$645,250	$332,338	$160,138	$85,378	55	30
72	Accomodation & food services	$48,766,128	$26,932,164	$16,613,905	$9,156,816	$989,069	$533,254	1,111	617
81	Other services	$1,907,578	$1,197,575	$640,552	$402,729	$48,410	$29,871	38	24
92	Government & non NAICs	$6,183,247	$3,820,015	$398,022	$242,449	$0	$0	6	4
In	Instutitions	$35,151,556	$21,660,160	$0	$0	$0	$0	0	0
	Total	$154,697,280	$96,283,789	$39,910,172	$25,202,601	$4,448,221	$2,779,580	2,317	1,483

Additional Tax Collections

Event attendees, organizers and exhibitors to Phase 2 will create additional state and local taxes. For example, visitors will add to personal income which will be taxed at Nebraska's personal income tax rates. Table 5.6 shows additional tax collections generated by Phase 2 operations.

A high proportion of visitors will stay in local area hotels and motels creating additional lodging taxes for the state and the local area. The lodging tax represents a sales tax added to the charges for overnight accommodation. If the county opts for the tax, the county must collect and pay a one percent sales tax to the *State Visitors Promotion Cash Fund* to the *Division of Travel and Tourism* and their programs. The county then has the option of choosing an additional tax from one percent to two percent of the hotel/motel bill to be paid to the *County Visitors Promotion Fund* to fund a county Convention and Visitors Bureau, or its visitor promotion activities.

Lincoln has 48 hotels and motels, with a total of 3,850 rooms. The average room rate in the city is $62, and the 2 percent lodging tax adds about $1.24 to the bill. (Lancaster Convention and Visitors Bureau, 2005).

A county with 5 percent sales tax, a 2 percent county lodging tax and 1 percent state lodging tax would charge a total of 8 percent as sales tax on motel room charges. For example, if a guest stayed in a room that cost $50 a night, taxes on the room would be an additional $4 per night for that room.[27]

Comparison of impacts

How do these impacts compare to that estimated in other impact studies of event centers? Estimating 18 conventions per year, even at 500 attendees per event, the Authority expects to generate just over $2.8 million in annual convention spending in Richland County. If Authority estimates of usage in other markets is accurate, another $1 to $1.5 million in visitor impact could be expected. Thus, the proposed facility could generate $4 million in impact each year (Zeitgeist Consulting, 2000).

TABLE 5.6: STATE & LOCAL TAXES RESULTING FROM PHASE 2 OPERATIONS, 2007

	Regional	Local/state
Corporate Profits Tax	$106,369	$63,799
Dividends	$286,501	$171,841
Indirect Bus Tax: Motor Vehicle License	$62,744	$36,403
Indirect Bus Tax: Other Taxes	$499,642	$289,878
Indirect Bus Tax: Property Tax	$2,881,144	$1,671,558
Indirect Bus Tax: S/L Non-Taxes	$759,189	$440,460
Indirect Bus Tax: Sales Tax (includes lodging)	$3,118,408	$1,798,272
Indirect Bus Tax: Severance Tax	$2,236	$1,297
Personal Tax: Estate and Gift Tax	$0	$0
Personal Tax: Income Tax	$842,196	$532,698
Personal Tax: Motor Vehicle License	$52,592	$33,265
Personal Tax: Non-Taxes (Fines- Fees)	$13,420	$8,488
Personal Tax: Other Tax (Fish/Hunt)	$27,272	$17,250
Personal Tax: Property Taxes	$25,510	$16,135
Misc. state & local taxes	$842,196	$532,698
Property taxes on commercial development	$124,033	$124,033
Total state/local govt non-education	$9,643,452	$5,738,076

[27]http://inarpubs.unl.edu/consumered/g1357.htm#tax

TABLE 5.7 COMPARISON OF EVENT CENTER IMPACTS

Year of Study	Consultant	Total Space	Attendance	Impacts Total Output	Impacts Jobs
Pennsylvania Farm Show Complex	2005	PA Event Center	425,531	$480,000,000	4,200
Kentucky Fair & Exhibition Center	2001	Unversity of Louisville	n.a.	$427,000,000	8,700
Oregon Convention Center	2001	KPMG	500,000	$359,053,000	5,900
Lancaster Event Center-Phase 2	2005	Goss & Associates	404,000	$162,983,169	2,398
Fargodome, Fargo-Moorhead, ND	2003	CSL Consulting	120,000	$43,445,400	635
Rockford Convention Center, Rockford, IL	2004	C.H. Johnson Consulting	275,000	$19,800,000	198
Bellevue Convention Center, Bellevue, WA	2005		80,000	$18,800,000	n.a.

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Appendix
Ernie Goss Biography

Ernie Goss is currently the Jack MacAllister Chair in Regional Economics at Creighton University and was a Visiting Scholar with the Congressional Budget Office for 2003-2004. He received his Ph.D. in Economics from The University of Tennessee in 1983 and is a former faculty research fellow at NASA's Marshall Space Flight Center. .

He has published over eighty research studies focusing primarily on economic forecasting and on the statistical analysis of business and economic data. His research paper entitled, The Internet's Contribution to U.S. Productivity Growth, received the National Association of Business Economics Edmund A. Mennis Contributed Papers Award for 2001. His book, Changing Attitudes toward Economic Reform during the Yeltsin Era was published by Praeger Press in 2003 and his book Governing Fortunes: Casino Gambling in the U.S. will be published in 2006.

He is a member of the Editorial Board of The Review of Regional Studies and editor of Economic Trends, an economics newsletter published three times per year. He is the past president of the Omaha Association of Business Economics, and President of the Nebraska Purchasing Management Association.

Goss produces a monthly business conditions index for the nine state Mid-American region and the three state Mountain region. Survey results are cited each month in approximately 100 newspapers. Newspaper citations have included the New York Times, Wall Street Journal (4 times last year), Investors Business Daily, The Christian Science Monitor, Chicago Sun Times and other national and regional newspapers and magazines. Each month 75-100 radio stations carry his Regional Economic Report.

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Funded research contracts:

1. Summer 2005. Contract from the Lancaster Agricultural Society to estimate the impact of the Phase Two addition to the Lancaster Event Center in Lincoln, Nebraska.

2. Summer 2005. Contract with Isle of Capri of Biloxi, Mississippi to determine the cost/benefits of a casino in Jefferson County Missouri.

3. Spring 2005. Contract from the City of Omaha to estimate turnback taxes due the city from the state of Nebraska from the construction and operation of the Qwest Convention Center.

4. Summer 2004. Contract with Farm Credit Services of America (FCSAmerica) to evaluate the purchase of FCSAmerica by RaboBank of the Netherlands.

5. Summer 2003. Contract with College World Series, Inc. to estimate the economic impact of the 2003 College World Series.

6. Winter 2002-03. Contract with the Nebraska Educational Finance Authority to estimate the annual impact of Nebraska's private higher educational institutions on the state of Nebraska.

7. Summer 2002. Contract with the Greater Omaha Chamber of Commerce to examine the factors that determine the failure and success of casinos throughout the U.S.

8. Spring 2002. Contract with Nemaha County Development Alliance to determine the economic costs of the closure of the Cooper Nuclear Station.

9. Spring 2002. Contract with Hamilton Telecommunications to estimate the value of the Relay Services contract to the State of Louisiana and to East Baton Rouge Parish.

10. Fall 2002. Contract with the Nebraska Insurance Federation to determine the impact of the Nebraska insurance industry on the Nebraska economy.

11. Spring 2000. Contract with the Omaha Convention & Visitors Bureau to estimate the economic impacts of the College World Series.

12. Spring 1998. Contract with Citizens for Nebraska's Future. "The Impact of a Tax Limitation Amendment to the Nebraska Constitution," study completed in May 1998.

13. Fall 1997. Contract with the Nebraska Department of Labor to determine the optimal size of the state's unemployment insurance trust fund. "Determining the Optimal Size of Nebraska's Unemployment Insurance Trust Fund," study completed Fall 1997 for the Nebraska Department of Labor, Lincoln Nebraska.

14. Spring 1997. Contract with the Pottawattamie County Public Safety Association, to analyze the collective bargaining agreement, Council Bluffs, IA. Responsible for determining a comparable pay package for individuals in the collective bargaining unit.

15. Winter 1996-97. Contract with the Douglas County, Nebraska Commissioners to examine the cost/benefits of business tax incentives granted to First Data Resources Corporation to expand operations in Omaha, Nebraska. Responsible for presenting the findings to the public in hearings.

16. Spring 1996. Appointed by the Nebraska legislature to the Review of Tax Incentives Committee. Goal of committee is to develop a methodology to measure costs/benefits of business tax incentive program.